

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0870-02  
Bill No.: HB 237  
Subject: General Assembly; Campaign Finance; Lobbying  
Type: Original  
Date: January 24, 2011

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Bill Summary: This proposal changes the laws regarding ethics, lobbying and campaign contributions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$27,720)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$27,720)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume the proposed legislation would prohibit an individual from serving as treasurer or deputy of treasurer of more than one campaign finance committee concurrently; prohibit committee to committee transfers and implement campaign finance limits. The implementation of the above responsibilities would require the following additional resources:

\$12,600 in expense and equipment to acquire contract services that would develop MEC search capabilities in locating treasurer/deputy treasurers with like names, who are serving in multiple committees, for oversight purposes, as established in 105.955.14, RSMo.

\$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in 105.955.14, RSMo.. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.

One Investigators to accommodate anticipated increase in enforcement duties, as established in current state statute, related to the new provisions.

Two Business Analysts to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business analysts would review lobbyist registrations, committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently two Business Analysts assist 2,800 committees in filing campaign finance reports, prepare and disseminate 15,000 notices, and review 11,000 campaign finance reports.

Increases in investigations and oversight, beyond the Commission's current duties, would require the addition of one Investigator Supervisor and one Staff Attorney. Currently one supervisory staff oversees all investigations, filing of 11,000 campaign finance reports, 15,852 monthly lobbyist reports, 4,291 personal financial disclosure reports, registering 1,000 lobbyists, education and outreach.

The Commission would anticipate that changes or additions to the proposed language set forth in this bill, may require additional associated costs for FTE, equipment, and expenses.

**Oversight** assumes that the proposed changes in section 105.452 prohibit certain elected

ASSUMPTION (continued)

officials from registering as a lobbyist. It is unclear if the change would increase or decrease the number of individuals filing lobbyist reports. **Oversight** assumes the MEC should be able to absorb the cost of this provision.

This proposal prohibits an individual from serving as a treasurer of more than one committee. **Oversight** assumes that the once individuals are informed of the new requirements they will comply with the provisions. Due to the limited number of non-compilers, MEC should be able to handle the review of the files with existing staff.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the MEC did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations due to the limits being reimposed. **Oversight** assumes these provisions have no fiscal impact on the MEC.

**Oversight** assumes the MEC currently investigates complaints and has the management staff necessary to begin handling the potential increase in internal investigations. Oversight assumes MEC would not increase its existing staff unless it can show in future budget requests, an identifiable increase in the number of internal investigations initiated by the Commission which would necessitate the need for additional supervisors.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Cost</u> - computer upgrades	<u>(\$27,720)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$27,720)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

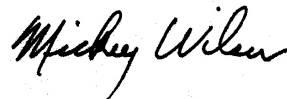
FISCAL DESCRIPTION

This proposal changes the laws regarding ethics, lobbying, and campaign contributions

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Ethics Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 24, 2011